

**SEALED**

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF VIRGINIA  
ROANOKE DIVISION

CLERK'S OFFICE U.S. DIST COURT  
AT ROANOKE, VA  
FILED

DEC 01 2005

JOHN F. CORCORAN, CLERK  
BY: *R. Colley*  
DEPUTY CLERK

UNITED STATES OF AMERICA )

v. )

CARL B. HUTCHERSON, JR. )

Criminal Number 7:05 CR 106

All in Violation of:

42 U.S.C. §1383a(a)(4) – Social Security Fraud

18 U.S.C. §1341 & 1346 – Mail Fraud

18 U.S.C. §1005 & 2 – Bank Fraud

18 U.S.C. §1001(a)(2) – False Statement to Fed. Off.

18 U.S.C. §1512(c)(2) & 2 – Obstruction of Justice

**SEALED**

INDICTMENT

INTRODUCTION TO THE INDICTMENT

At times relevant to this Indictment:

1. CARL B. HUTCHERSON, JR., the Defendant, was owner of Hutcherson Funeral Home, Inc., in Lynchburg, Virginia (hereinafter referred to as "Hutcherson Funeral Home"); a pastor at the Trinity United Methodist Church in Lynchburg, Virginia; the Chairperson, Director and Registered Agent of the Trinity New Life Community Development Corporation in Lynchburg, Virginia; a member of the Board of Directors of the Bank of the James, an institution the deposits of which are insured by the Federal Deposit Insurance Corporation; and the Representative Payee for Victim One and Victim Two, and therefore responsible for the management and disbursement of the Social Security benefits for Victim One and Victim Two.

2. CARL B. HUTCHERSON, JR., and Hutcherson Funeral Home were mired

in severe financial difficulty, and, among other things, failed to make required payments to the Internal Revenue Service in an amount in excess of \$100,000, failed to maintain balances in banking accounts, failed to make required payments to the City of Lynchburg, Virginia, and failed to meet other financial obligations.

3. From time to time, Social Security recipients are not able to handle their own financial affairs. In those cases, the Social Security Administration turns to a relative, a friend, or another interested party to handle a person's Social Security matters. This person becomes the "representative payee." All Social Security benefits due are made payable in the representative payee's name on behalf of the Social Security beneficiary.

4. CARL B. HUTCHERSON, JR. served as a Representative Payee for Victim One and Victim Two. As a Representative Payee, CARL B. HUTCHERSON, JR. agreed that he would "use all payments made to [him] as the representative payee for the claimant's current needs or . . . save them for [the claimant's] future needs." CARL B. HUTCHERSON, JR. also acknowledged and understood that "anyone who makes or causes to be made a false statement or representation of material fact relating to a payment under the Social Security Act commits a crime punishable under Federal law . . . ."

5. From in or about December 1996 until in or about April 2001, CARL B. HUTCHERSON, JR., was the Representative Payee for Victim One and therefore responsible for the management and disbursement of Social Security benefits for Victim One. During this period of time, CARL B. HUTCHERSON, JR., did steal and convert to his own

use portions of Victim One's Social Security benefits.

6. From in or about May 2000 until in or about March 2005, CARL B. HUTCHERSON, JR., was the Representative Payee for Victim Two and therefore responsible for the management and disbursement of Social Security benefits for Victim Two. During this period of time, CARL B. HUTCHERSON, JR., did steal and convert to his own use portions of Victim Two's Social Security benefits.

7. On or about August 12, 2003, CARL B. HUTCHERSON, JR., established the Trinity New Life Community Development Corporation. As the Chairperson, Director and Registered Agent of Trinity New Life Community Development Corporation, CARL B. HUTCHERSON, JR. signed the non-profit organization's Articles of Incorporation that set forth the purposes of the entity. Specifically, CARL B. HUTCHERSON, JR. agreed that Trinity New Life Community Development Corporation would "serve as an advocate for the needy and underprivileged persons"; "to serve as a youth advocate"; and, to exclusively involve itself "for charitable and educational purposes." The Articles of Incorporation mandated that "[n]o part of the property or net earnings of the Corporation shall inure to the benefit of or to be distributable to the Corporation's directors, officers or any private persons."

8. Trinity New Life Community Development Corporation maintained a checking account at the Bank of the James in Lynchburg, Virginia, into which charitable contributions to the non-profit organization were deposited.

9. Trinity New Life Community Development Corporation was in the process of raising funds and soliciting volunteer labor to repair and restore a building to be used for the community good. Trinity United Methodist Church owned the building to be restored. In or about January, 2004 through on or about September, 2004, donors donated approximately \$34,650 to the Trinity New Life Community Development Corporation.

10. CARL B. HUTCHERSON, JR., as the Chairperson, Director, and Registered Agent for Trinity New Life Community Development Corporation, agreed that once any funding was made available to Trinity New Life Community Development Corporation it would pay \$1,500 per month in rental fees to Trinity United Methodist Church for its use of the building. Instead of making the required rental payments to Trinity United Methodist Church, CARL B. HUTCHERSON, JR., converted the charitable donations to his own use.

11. On or about August 31, 2004, CARL B. HUTCHERSON, JR., wrote a \$5,000 check payable to Hutcherson Funeral Home from the Bank of the James account of Trinity New Life Community Development Corporation. This check was deposited into the Hutcherson Funeral Home checking account at Wachovia Bank on or about September 1, 2004.

12. On or about September 2, 2004, CARL B. HUTCHERSON, JR., withdrew \$5,008 from the Wachovia Bank account of Hutcherson Funeral Home and bought a cashiers check in the amount of \$5,000 payable to a Lynchburg City Council member for payment of a personal debt.

13. On or about September 2, 2004, CARL B. HUTCHERSON, JR., wrote a \$26,500 check payable to Hutcherson Funeral Home from the Bank of the James account of Trinity New Life Community Development Corporation. This check was deposited into the Hutcherson Funeral Home checking account at Wachovia Bank on or about September 2, 2004.

14. On or about September 3, 2004, CARL B. HUTCHERSON, JR., withdrew \$22,008 from the Wachovia Bank account of Hutcherson Funeral Home and purchased a cashier's check in the amount of \$22,000 payable to the Internal Revenue Service. CARL B. HUTCHERSON, JR., submitted this cashier's check to the Internal Revenue Service on or about September 3, 2004. On or about September 7, 2004, this cashier's check was shipped by United Parcel Service, a commercial interstate carrier, from Charlottesville, Virginia, to Philadelphia, Pennsylvania. After being confronted with this conversion of funds by federal officials, CARL B. HUTCHERSON, JR., restored the money to the account of Trinity New Life Community Development Corporation in or about August, 2005. The sources of those funds are currently unknown.

15. On or about February 27, 2004, CARL B. HUTCHERSON, JR., submitted false, fraudulent and forged documents to Centra Health Foundation in Lynchburg, Virginia, in an attempt to obtain approximately \$24,500 in funding purportedly for Trinity New Life Community Development Corporation.

16. From in or about August, 2004 until the return of this Indictment, CARL B.

HUTCHERSON, JR., in an effort to further and cover up his fraudulent activities, made false statements and caused to be submitted false documents to officials of the Bank of the James, federal law enforcement agents, and the federal Grand Jury.

17. CARL B. HUTCHERSON, JR., owed a fiduciary responsibility and was required to render honest services to the Trinity New Life Community Development Corporation, Trinity United Methodist Church, the Bank of the James, Victim One, and Victim Two.

18. CARL B. HUTCHERSON, JR., devised a scheme to alleviate his financial burdens by fraudulently converting funds to his own use from Trinity New Life Community Development Corporation, Victim One, and Victim Two, and, in an attempt to obtain approximately \$24,500 in funding from Centra Health Foundation in Lynchburg, Virginia, purportedly for Trinity New Life Community Development Corporation, provided false, fraudulent and forged documents to Centra Health Foundation in Lynchburg, Virginia.

19. Wachovia Bank and the Bank of the James are institutions in Lynchburg, Virginia, whose deposits are insured by the Federal Deposit Insurance Corporation.

**COUNT ONE**  
**(SOCIAL SECURITY FRAUD)**

The Grand Jury charges:

1. That the Introduction to this Indictment is realleged and incorporated into this Count of the Indictment.

2. That from in or about December, 1996, until in or about April, 2001, in the Western Judicial District of Virginia and elsewhere, CARL B. HUTCHERSON, JR., having made application to receive any Social Security Supplemental Income benefit (SSI) for the use and benefit of Victim One and having received it, did knowingly and willfully convert such benefit or any part thereof to a use other than for the use and benefit of Victim One; that is, among other things, CARL B. HUTCHERSON, JR., used such benefits of Victim One to make cash payments to himself; to purchase a television for himself; to purchase a stereo for himself; to purchase a mattress for another person; to make a payment to an associate; and, to purchase and attempt to purchase life insurance policies payable on the demise of Victim One with the beneficiary being CARL B. HUTCHERSON, JR.

3. All in violation of Title 42, United States Code, Section 1383a(a)(4).

**COUNT TWO**  
**(SOCIAL SECURITY FRAUD)**

The Grand Jury charges:

1. That the Introduction to this Indictment is realleged and incorporated into this Count of the Indictment.

2. That from in or about May, 2000, until in or about March, 2005, in the Western Judicial District of Virginia and elsewhere, CARL B. HUTCHERSON, JR., having made application to receive any Social Security Supplemental Income benefit (SSI) for the use and benefit of Victim Two and having received it, did knowingly and willfully convert such

benefit or any part thereof to a use other than for the use and benefit of Victim Two; that is, among other things, CARL B. HUTCHERSON, JR., used such benefits of Victim Two to make cash payments to himself; to pay for his attendance at a fund-raising dinner; to make contributions at his church; to make a payment to an associate; to buy postage stamps for himself; and, to pay for cable television for himself.

3. All in violation of Title 42, United States Code, Section 1383a(a)(4).

**COUNT THREE**  
**(MAIL FRAUD)**

The Grand Jury charges:

1. That the Introduction to this Indictment is realleged and incorporated into this Count of the Indictment.

2. That at times material to this Count of the Indictment, CARL B. HUTCHERSON, JR., was the Chairperson of the Board of Directors of the Trinity New Life Community Development Corporation and a Pastor at the Trinity United Methodist Church.

3. That at times material to this Count of the Indictment, CARL B. HUTCHERSON, JR., endeavored to raise money, in part, to pay off taxes due to the Internal Revenue Service.

4. That at times material to this Count of the Indictment, CARL B. HUTCHERSON, JR., without the knowledge or consent of the Executive Director or any Board Members of Trinity New Life Community Development Corporation, withdrew



approximately \$31,500 in the form of two checks drawn on the Bank of the James account of Trinity New Life Community Development Corporation and converted this money to his own personal use.

5. That at times material to this Count of the Indictment, CARL B. HUTCHERSON, JR., made false statements and caused to be submitted false documents to the Bank of the James indicating that the Board of Directors had authorized a formal loan agreement in which Trinity New Life Community Development Corporation loaned \$31,500 to CARL B. HUTCHERSON, JR., when in truth and fact, Board Members never authorized such a loan agreement.

6. That as a result of this scheme and artifice to defraud, CARL B. HUTCHERSON, JR., stole money from Trinity New Life Community Development Corporation and further violated his fiduciary duties by violating the entity's Articles of Incorporation which mandated that "[n]o part of the property or net earnings of the Corporation shall inure to the benefit of or to be distributable to the Corporation's directors, officers or any private persons."

7. That as a further result of this scheme and artifice to defraud, CARL B. HUTCHERSON, JR., converted to his own benefit monies due and payable as rent payments to the Trinity United Methodist Church.

8. That on or about September 7, 2004, in the Western Judicial District of Virginia and elsewhere, CARL B. HUTCHERSON, JR., the defendant, having devised the

above described scheme and artifice to defraud by depriving Trinity New Life Community Development Corporation of the intangible right of honest services and by converting funds of Trinity New Life Community Development Corporation to his own personal use, for the purpose of executing and in order to effect the scheme and artifice, did knowingly cause to be sent, delivered and moved by the United Parcel Service, a commercial interstate carrier, a \$22,000 check payable to the Internal Revenue Service, said check sent from Charlottesville, Virginia to the Internal Revenue Service in Philadelphia, Pennsylvania.

9. All in violation of Title 18, United States Code, Sections 1341 and 1346.

**COUNT FOUR**  
**(MAIL FRAUD)**

The Grand Jury charges:

1. That the Introduction to this Indictment is realleged and incorporated into this Count of the Indictment.
2. That at times material to this Count of the Indictment, CARL B. HUTCHERSON, JR., endeavored to raise money purportedly for the benefit of Trinity New Life Community Development Corporation. As a consequence, CARL B. HUTCHERSON, JR., solicited approximately \$24,500 from Centra Health Foundation in Lynchburg, Virginia.
3. That Centra Health Foundation required certain documentation to be provided prior to approving any funding. In response, CARL B. HUTCHERSON, JR., submitted false, fraudulent and forged documents to Centra Health Foundation.

4. That on or about May 25, 2004, in the Western Judicial District of Virginia and elsewhere, CARL B. HUTCHERSON, JR., the defendant, having devised the above described scheme and artifice to defraud and for the purpose of executing and in order to effect the scheme and artifice, did knowingly cause to be sent, delivered and moved by the United States Postal Service, a letter from Centra Health Foundation to CARL B. HUTCHERSON, JR., in which the Foundation agreed to provide \$10,000 to Trinity New Life Community Development Corporation.

8. All in violation of Title 18, United States Code, Section 1341.

**COUNT FIVE**  
**(BANK FRAUD)**

The Grand Jury charges:

1. That the Introduction to this Indictment is realleged and incorporated into this Count of the Indictment.

2. That on or about October 7, 2004, in the Western Judicial District of Virginia, CARL B. HUTCHERSON, JR., as a member of the Board of Directors of the Bank of the James, an institution the deposits of which are insured by the Federal Deposit Insurance Corporation, knowingly caused the false entry in a report of the Bank of the James with the intent to deceive an officer of the Bank of the James; that is, an officer of the Bank of the James requested documentation from CARL B. HUTCHERSON, JR., to support the legitimacy of the Trinity New Life Community Development Corporation/Hutcherson

Funeral Home transaction described in paragraphs 7 through 14 of the Introduction to the Indictment, and CARL B. HUTCHERSON, JR., provided a letter that falsely and fraudulently stated that “the Trinity New Life Community Development Corporation entered into a formal loan agreement with the Hutcherson Funeral Service during the month of September, 2004. The loan was for the amount of \$31,500 to be repaid in full within 12 months.”

3. All in violation of Title 18, United States Code, Sections 1005 and 2.

**COUNT SIX**  
**(FALSE STATEMENT TO FEDERAL OFFICIAL)**

The Grand Jury charges:

1. That the Introduction to this Indictment is realleged and incorporated into this Count of the Indictment.

2. That on or about January 27, 2005, in the Western Judicial District of Virginia, in a matter within the jurisdiction of the Federal Bureau of Investigation, CARL B. HUTCHERSON, JR., knowingly and willfully made a false material statement and representation, in that CARL B. HUTCHERSON, JR., stated that the Board of Directors of the Trinity New Life Community Development Corporation met in August, 2004 and authorized a \$31,500 loan to CARL B. HUTCHERSON, JR., when in truth and fact, as CARL B. HUTCHERSON, JR., well knew, the Board of Directors of the Trinity New Life Community Development Corporation never discussed or authorized such a loan to CARL

B. HUTCHERSON, JR.

3. All in violation of Title 18, United States Code, Section 1001(a)(2).

**COUNT SEVEN**  
**(OBSTRUCTION OF JUSTICE)**

The Grand Jury charges:

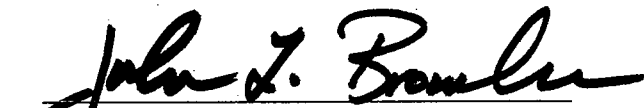
1. That the Introduction to this Indictment is realleged and incorporated into this Count of the Indictment.


2. That on or about March 24, 2005, in the Western Judicial District of Virginia, CARL B. HUTCHERSON, JR., corruptly attempted to obstruct and influence an official proceeding; that is, CARL B. HUTCHERSON, JR., through his court-appointed counsel, caused to be provided to a federal Grand Jury in Roanoke, Virginia, false and fraudulent "Minutes of Directors' Meeting" and Cash Receipts.

3. All in violation of Title 18, United States Code, Sections 1512(c)(2) and 2.

A TRUE BILL, this 1<sup>st</sup> day of December, 2005.

  
FOREPERSON

  
JOHN L. BROWNLEE  
UNITED STATES ATTORNEY

A TRUE COPY TESTE:  
JOHN F. CORCORAN, CLERK  
BY:   
DEPUTY CLERK